STATEMENT OF

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BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVE

WITH RESPECT TO

THE VA HEALTH CARE SYSTEM'S CAPACITY TO MEET THE CURRENT DEMAND FOR HEALTH CARE

WASHINGTON, DC JANUARY 29, 2003

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

On behalf of the 2.7 million members of the Veterans of Foreign Wars of the United States (VFW) and our Ladies Auxiliary, I would like to thank you for conducting and including us in this hearing of vital importance to America's veterans.

The Department of Veterans Affairs' (VA) Veterans Health Administration (VHA) is the nation's largest direct provider of health care services with over 160 hospitals and 800 community-based outpatient clinics. Amid the climate of rising health insurance premiums and costly prescription drugs, open enrollment, under the Health Care Eligibility Reform Act of 1996, and a shift from primarily inpatient care to outpatient care flooded VHA's facilities with millions of new users. The growth produced by these reforms quickly outpaced existing facilities and clinics capacity to provide access to quality, timely care.

Why should this matter? Open enrollment was supposed to pay for itself in third-party collections and co-payments for non-service-connected care. Despite the best efforts of the Department of Veterans Affairs this has never fructified. Meanwhile, successive years of improper budgeting and inadequate appropriations coupled with the impact of the aforementioned reforms have forced VHA to ration care, turning a once national treasure into a national tragedy. The most obvious manifestation of health care rationing has been the lengthening of appointment waiting times.

With your permission, Mr. Chairman, I would like to ask the Committee, "How long do each of you have to wait to see your doctor?" I know that in most cases I can see mine within **24 hours** while VHA maintains a self-imposed goal for veterans seeking access to VA health care of **30 days** for an initial appointment - 30 days for a specialty appointment - 20 minutes to see a doctor at a scheduled appointment, which is a full 29 days after you and I have been seen. Even these conservative goals have not been met. According to a VHA survey conducted on December 16, 2002, there is currently a backlog of over 200,000 veterans waiting **six months** or more for a non-emergency clinic visit. Of course, it is impossible to truly know how many veterans are being denied care because VA's databases are severely deficient. We do know that be it six months or 29 days, it is too long for America's veterans to wait for medical care.

In response to this bleak situation, created by too many users and not enough dollars, VA proposed a $1,500 enrollment fee for then Category 7 veterans this past spring; and last fall, VHA issued a memorandum that directed network directors and their staffs to discontinue any outreach campaigns to enroll veterans despite the fact that the more veterans enrolled in a network the more funding a network could expect to receive under the Veterans Equitable

Resource Allocation (VERA) system. Furthermore, the Secretary recently issued regulations ensuring the most severely disabled service-connected veterans priority access to health care.

Clearly, these past efforts to meet the demand for services have failed to produce the desired results leading to the recent concession by the Secretary of Veterans Affairs to suspend enrollment of Category 8 veterans in order to focus resources on "those with service-connected disabilities, the indigent and those with special health care needs" while at the same time announcing the "largest requested increase [in discretionary funding] in VA history" for fiscal year (FY) 2004.

Does it really matter that it is the largest requested increase if it is still inadequate to provide timely access to quality health care for all eligible veterans authorized access to VA health care under the Eligibility Reform Act? My point is that no veteran should ever be left behind. The enrollment announcement should have been unnecessary if the budget request were truly adequate, not just historic. As one VFW member accurately stated, "We need a White House budget that adequately reflects the demand for veterans' health care, Congressional budgets that mirror the Administration's adequate budget requests, and final appropriations that meet or exceed these amounts – NOW."

We are not alone when we say that the traditional budget/appropriations process has failed to provide adequate resources to meet the demand for VA health care. The President's Task Force To Improve Health Care Delivery For Our Nation's Veterans' Interim Report acknowledged as much. Further, the VA was compelled to request $417 million in supplemental funding for FY 2002 because demand out stripped capacity. On top of all this, the budget/appropriations process broke down and Congress failed to pass 11 appropriations bills for FY2003 leaving VA to make due with FY2002 appropriation levels, going on 4 months now,

while at the same time health care inflationary costs have soared consuming an astounding 14.1 percent of the Gross Domestic Product.

Where do we go next? If we are to have a system that could potentially allow VA to meet actual demand for services versus tailoring services to meet the budget then we must consider alternative funding formulas. This is why we have joined forces with the American Legion and Disabled American Veterans, along with numerous other veterans and military organizations, to secure passage of legislation that would guarantee mandatory funding for all enrolled users of the VA health care system.

We thank the Chairman and the Ranking Member for introducing legislation that would've accomplished this goal last Congress and we are hopeful that such legislation will be reintroduced in this Congress, where it will once again enjoy our full support. The need for a public debate on the future of VA health care is now.

Along with the alternative source of mandatory funding, we have long supported the enactment of Medicare Reimbursement. We applaud the VA Secretary and the Secretary of Health and Human Services for their groundbreaking initiative to establish a new program that will allow Category 8 veterans who are Medicare eligible to join a "VA Plus Choice Medicare" plan. We view this as a step in the right direction and are anxious for the expansion of this program to include all priority categories of Medicare-eligible veterans. Interestingly enough, Medicare Reimbursement was supposed to be instituted at the same time as eligibility reform.

With or without adequate appropriations, VHA should continue to incorporate best medical practices across *all* Veterans Integrated Service Networks, thus ensuring uniform implementation, something the current management structure does not promote. There are many programs and initiatives that merit consideration. They range from VA-DOD sharing to

expanded roles for VA clinical pharmacy specialists (Pharm. D's) in the monitoring, overseeing and prescribing of drugs. We would also advocate the adoption of Chronic Disease Management. Coordinating this type of aggressive medical outreach in tandem with preventative care will ultimately afford the delivery of excellence in health care to our nation's veterans as well as enhance their health and longevity.

To conclude, current funding formulas have been proven inadequate to provide the capacity that is needed to meet current demand for VA health care. The manifest health care needs of millions of veterans depend upon the Nation's courage to adopt and stick to the policies that will produce the optimal results over the long run. Unequivocally, the Veterans of Foreign Wars possesses a long held conviction and aspiration that no veteran should be denied medical treatment he or she is eligible for because of lack of funding.

Mr. Chairman, once again, I thank you for the opportunity to present our views and I will be happy to answer any questions you or the members of the committee may have.